

1 instrumentality thereof or participating instrumentality
2 stating that the employee meets the conditions set forth
3 in subparagraph 1 of this paragraph (a).

4 (b) A temporary disability benefit shall be payable to a
5 temporarily disabled employee provided:

6 1. He:

7 (i) has at least one year of service
8 immediately preceding at the date the temporary
9 disability was incurred and has made contributions
10 to the fund for at least the number of months of
11 service normally required in his position during a
12 12-month period, or has at least 5 years of service
13 credit, the last year of which immediately precedes
14 such date; or

15 (ii) had qualified under clause (i) above, but
16 had an interruption in service with the same
17 participating municipality or participating
18 instrumentality of not more than 3 months in the 12
19 months preceding the date the temporary disability
20 was incurred and was not paid a separation benefit;
21 or

22 (iii) had qualified under clause (i) above,
23 but had an interruption after 20 or more years of
24 creditable service, was not paid a separation
25 benefit, and returned to service prior to the date
26 the disability was incurred.

27 Item (iii) of this subdivision shall apply to all
28 employees whose disabilities were incurred on or after
29 July 1, 1985, and any such employee who becomes eligible
30 for a disability benefit under item (iii) shall be
31 entitled to receive a lump sum payment of any accumulated
32 disability benefits which may accrue from the date the
33 disability was incurred until the effective date of this
34 amendatory Act of 1987.

1 Periods of qualified leave granted in compliance
2 with the federal Family and Medical Leave Act shall be
3 ignored for purposes of determining the number of
4 consecutive months of employment under this subdivision
5 (b)1.

6 2. He has been temporarily disabled for at least 30
7 days, except where a former temporary or permanent and
8 total disability has reoccurred within 6 months after the
9 employee has returned to service.

10 3. He is receiving no earnings from a participating
11 municipality or instrumentality thereof or participating
12 instrumentality, except as allowed under subsection (f)
13 of Section 7-152.

14 4. He has not refused to submit to a reasonable
15 physical examination by a physician appointed by the
16 Board.

17 5. His disability is not the result of a mental or
18 physical condition which existed on the earliest date of
19 service from which he has uninterrupted service,
20 including prior service, at the date of his disability,
21 provided that this limitation is not applicable if the
22 date of disability is after December 31, 2001, nor is it
23 ~~shall--not-be~~ applicable to a participating employee who:
24 (i) on the date of disability has 5 years of creditable
25 service, exclusive of creditable service for periods of
26 disability; or (ii) received no medical treatment for the
27 condition for the 3 years immediately prior to such
28 earliest date of service.

29 6. He is not separated from the service of the
30 participating municipality or instrumentality thereof or
31 participating instrumentality which employed him on the
32 date his temporary disability was incurred; for the
33 purposes of payment of temporary disability benefits, a
34 participating employee, whose employment relationship is

1 terminated by his employing municipality, shall be deemed
 2 not to be separated from the service of his employing
 3 municipality or participating instrumentality if he
 4 continues disabled by the same condition and so long as
 5 he is otherwise entitled to such disability benefit.

6 (Source: P.A. 90-766, eff. 8-14-98.)

7 (40 ILCS 5/7-151) (from Ch. 108 1/2, par. 7-151)

8 Sec. 7-151. Total and permanent disability benefits -
 9 Commencement and duration. Permanent disability benefits
 10 shall be payable:

11 (a) As of the date temporary disability benefits are
 12 exhausted;

13 (b) Once a month as of the end of each month;

14 (c) For less than a month in a fraction equal to that
 15 created by making the number of days of disability in the
 16 month the numerator and the number of the days in the month
 17 the denominator;

18 (d) To the beneficiary of a deceased employee for the
 19 unpaid amount accrued to the date of death;

20 (e) While total and permanent disability continues;

21 (f) For the period ending on the last day of the month
 22 which is the later of the following:

23 1. the month that the participating employee attains the
 24 age for a full Social Security old-age insurance benefit age
 25 65;

26 2. the month which is 5 years after the month the
 27 participating employee became disabled as provided in Section
 28 7-146.

29 (Source: P.A. 86-272.)

30 (40 ILCS 5/7-152) (from Ch. 108 1/2, par. 7-152)

31 Sec. 7-152. Disability benefits - Amount. The amount of
 32 the monthly temporary and total and permanent disability

1 benefits shall be 50% of the participating employee's final
2 rate of earnings on the date disability was incurred, subject
3 to the following adjustments:

4 (a) If the participating employee has a reduced rate of
5 earnings at the time his employment ceases because of
6 disability, the rate of earnings shall be computed on the
7 basis of his last 12 month period of full-time employment.

8 (b) If the participating employee is eligible for a
9 disability benefit under the federal Social Security Act, the
10 amount of monthly disability benefits shall be reduced, but
11 not to less than \$10 a month, by the amount he would be
12 eligible to receive as a disability benefit under the federal
13 Social Security Act, whether or not because of service as a
14 covered employee under this Article. The reduction shall be
15 effective as of the month the employee is eligible for Social
16 Security disability benefits. The Board may make such
17 reduction if it appears that the employee may be so eligible
18 pending determination of eligibility and make an appropriate
19 adjustment if necessary after such determination. If the
20 employee, because of his refusal to accept rehabilitation
21 services under the federal Rehabilitation Act of 1973 or the
22 federal Social Security Act, or because he is receiving
23 workers' compensation benefits, has his Social Security
24 benefits reduced or terminated, the disability benefit shall
25 be reduced as if the employee were receiving his full Social
26 Security disability benefit.

27 (c) If the employee (i) is over the age for a full
28 Social Security old-age insurance benefit age--65, (ii) was
29 not eligible for a Social Security disability benefit
30 immediately before reaching that age, age--65 and (iii) is
31 eligible for a full Social Security old-age insurance
32 benefit, then the amount of the monthly disability benefit
33 shall be reduced, but not to less than \$10 a month, by the
34 amount of the old-age insurance benefit to which the employee

1 is entitled, whether or not the employee applies for the
2 Social Security old-age insurance benefit. This reduction
3 shall be made in the month after the month in which the
4 employee attains the age for a full Social Security old-age
5 insurance benefit age--65. However, if the employee was
6 receiving a Social Security disability benefit before
7 reaching the age for a full Social Security old-age insurance
8 benefit age-65, the disability benefits after that age age-65
9 shall be determined under subsection (b) of this Section.

10 (d) The amount of disability benefits shall not be
11 reduced by reason of any increase, other than one resulting
12 from a correction in the employee's wage records, in the
13 amount of disability or old-age insurance benefits under the
14 federal Social Security Act which takes effect after the
15 month of the initial reduction under paragraph (b) or (c) of
16 this Section.

17 (e) If the employee in any month receives compensation
18 from gainful employment which is more than 25% of the final
19 rate of earnings on which his disability benefits are based,
20 the temporary disability benefit payable for that month shall
21 be reduced by an amount equal to such excess.

22 (f) An employee who has been disabled for at least 30
23 days may return to work for the employer on a part-time basis
24 for a trial work period of up to one year, during which the
25 disability shall be deemed to continue. Service credit shall
26 continue to accrue and the disability benefit shall continue
27 to be paid during the trial work period, but the benefit
28 shall be reduced by the amount of earnings received by the
29 disabled employee. Return to service on a full-time basis
30 shall terminate the trial work period. The reduction under
31 this subsection (f) shall be in lieu of the reduction, if
32 any, required under subsection (e).

33 (g) Beginning January 1, 1988, every total and permanent
34 disability benefit shall be increased by 3% of the original

1 amount of the benefit, not compounded, on each January 1
2 following the later of (1) the date the total and permanent
3 disability benefit begins, or (2) the date the total and
4 permanent disability benefit would have begun if the employee
5 had been paid a temporary disability benefit for 30 months.

6 (Source: P.A. 87-740.)

7 (40 ILCS 5/7-166) (from Ch. 108 1/2, par. 7-166)

8 Sec. 7-166. Separation benefits - Eligibility.

9 Separation benefits shall be payable as hereinafter set
10 forth:

11 1. Upon separation from the service of all
12 participating municipalities and instrumentalities
13 thereof and participating instrumentalities, any
14 participating employee who, on the date of application
15 for such benefit, is not entitled to a retirement annuity
16 shall be entitled to a separation benefit.†

17 2. Upon separation from the service of all
18 participating municipalities and instrumentalities
19 thereof and participating instrumentalities, any
20 participating employee who, on the date of application
21 for such benefit, is entitled to a retirement annuity of
22 less than \$30 per month for life may elect to take a
23 separation benefit in lieu of the retirement annuity.

24 3. Upon separation from the service of all
25 participating municipalities and instrumentalities
26 thereof and participating instrumentalities, any
27 participating employee who, on the date of application
28 for such benefit, is entitled to a retirement annuity,
29 but wishes instead to use the amounts to his or her
30 credit in the Fund to purchase credit in another
31 retirement plan, may elect to take a separation benefit
32 in lieu of the retirement annuity.

33 (Source: P.A. 91-887, eff. 7-6-00.)

1 (40 ILCS 5/7-172) (from Ch. 108 1/2, par. 7-172)
2 Sec. 7-172. Contributions by participating
3 municipalities and participating instrumentalities.

4 (a) Each participating municipality and each
5 participating instrumentality shall make payment to the fund
6 as follows:

7 1. municipality contributions in an amount
8 determined by applying the municipality contribution rate
9 to each payment of earnings paid to each of its
10 participating employees;

11 2. an amount equal to the employee contributions
12 provided by paragraphs (a) and (b) of Section 7-173,
13 whether or not the employee contributions are withheld as
14 permitted by that Section;

15 3. all accounts receivable, together with interest
16 charged thereon, as provided in Section 7-209;

17 4. if it has no participating employees with
18 current earnings, an amount payable which, over a period
19 of 20 years beginning with the year following an award of
20 benefit, will amortize, at the effective rate for that
21 year, any negative balance in its municipality reserve
22 resulting from the award. This amount when established
23 will be payable as a separate contribution whether or not
24 it later has participating employees.

25 (b) A separate municipality contribution rate shall be
26 determined for each calendar year for all participating
27 municipalities together with all instrumentalities thereof.
28 The municipality contribution rate shall be determined for
29 participating instrumentalities as if they were participating
30 municipalities. The municipality contribution rate shall be
31 the sum of the following percentages:

32 1. The percentage of earnings of all the
33 participating employees of all participating
34 municipalities and participating instrumentalities which,

1 if paid over the entire period of their service, will be
2 sufficient when combined with all employee contributions
3 available for the payment of benefits, to provide all
4 annuities for participating employees, and the \$3,000
5 death benefit payable under Sections 7-158 and 7-164,
6 such percentage to be known as the normal cost rate.

7 2. The percentage of earnings of the participating
8 employees of each participating municipality and
9 participating instrumentalities necessary to adjust for
10 the difference between the present value of all benefits,
11 excluding temporary and total and permanent disability
12 and death benefits, to be provided for its participating
13 employees and the sum of its accumulated municipality
14 contributions and the accumulated employee contributions
15 and the present value of expected future employee and
16 municipality contributions pursuant to subparagraph 1 of
17 this paragraph (b). This adjustment shall be spread over
18 the remainder of the period that is allowable under
19 generally accepted accounting principles of 40 years from
20 the first of the year following the date of
21 determination.

22 3. The percentage of earnings of the participating
23 employees of all municipalities and participating
24 instrumentalities necessary to provide the present value
25 of all temporary and total and permanent disability
26 benefits granted during the most recent year for which
27 information is available.

28 4. The percentage of earnings of the participating
29 employees of all participating municipalities and
30 participating instrumentalities necessary to provide the
31 present value of the net single sum death benefits
32 expected to become payable from the reserve established
33 under Section 7-206 during the year for which this rate
34 is fixed.

1 5. The percentage of earnings necessary to meet any
2 deficiency arising in the Terminated Municipality
3 Reserve.

4 (c) A separate municipality contribution rate shall be
5 computed for each participating municipality or participating
6 instrumentality for its sheriff's law enforcement employees.

7 A separate municipality contribution rate shall be
8 computed for the sheriff's law enforcement employees of each
9 forest preserve district that elects to have such employees.
10 For the period from January 1, 1986 to December 31, 1986,
11 such rate shall be the forest preserve district's regular
12 rate plus 2%.

13 In the event that the Board determines that there is an
14 actuarial deficiency in the account of any municipality with
15 respect to a person who has elected to participate in the
16 Fund under Section 3-109.1 of this Code, the Board may adjust
17 the municipality's contribution rate so as to make up that
18 deficiency over such reasonable period of time as the Board
19 may determine.

20 (d) The Board may establish a separate municipality
21 contribution rate for all employees who are program
22 participants employed under the federal Comprehensive
23 Employment Training Act by all of the participating
24 municipalities and instrumentalities. The Board may also
25 provide that, in lieu of a separate municipality rate for
26 these employees, a portion of the municipality contributions
27 for such program participants shall be refunded or an extra
28 charge assessed so that the amount of municipality
29 contributions retained or received by the fund for all CETA
30 program participants shall be an amount equal to that which
31 would be provided by the separate municipality contribution
32 rate for all such program participants. Refunds shall be
33 made to prime sponsors of programs upon submission of a claim
34 therefor and extra charges shall be assessed to participating

1 municipalities and instrumentalities. In establishing the
2 municipality contribution rate as provided in paragraph (b)
3 of this Section, the use of a separate municipality
4 contribution rate for program participants or the refund of a
5 portion of the municipality contributions, as the case may
6 be, may be considered.

7 (e) Computations of municipality contribution rates for
8 the following calendar year shall be made prior to the
9 beginning of each year, from the information available at the
10 time the computations are made, and on the assumption that
11 the employees in each participating municipality or
12 participating instrumentality at such time will continue in
13 service until the end of such calendar year at their
14 respective rates of earnings at such time.

15 (f) Any municipality which is the recipient of State
16 allocations representing that municipality's contributions
17 for retirement annuity purposes on behalf of its employees as
18 provided in Section 12-21.16 of the Illinois Public Aid Code
19 shall pay the allocations so received to the Board for such
20 purpose. Estimates of State allocations to be received
21 during any taxable year shall be considered in the
22 determination of the municipality's tax rate for that year
23 under Section 7-171. If a special tax is levied under
24 Section 7-171, none of the proceeds may be used to reimburse
25 the municipality for the amount of State allocations received
26 and paid to the Board. Any multiple-county or consolidated
27 health department which receives contributions from a county
28 under Section 11.2 of "An Act in relation to establishment
29 and maintenance of county and multiple-county health
30 departments", approved July 9, 1943, as amended, or
31 distributions under Section 3 of the Department of Public
32 Health Act, shall use these only for municipality
33 contributions by the health department.

34 (g) Municipality contributions for the several purposes

1 specified shall, for township treasurers and employees in the
2 offices of the township treasurers who meet the qualifying
3 conditions for coverage hereunder, be allocated among the
4 several school districts and parts of school districts
5 serviced by such treasurers and employees in the proportion
6 which the amount of school funds of each district or part of
7 a district handled by the treasurer bears to the total amount
8 of all school funds handled by the treasurer.

9 From the funds subject to allocation among districts and
10 parts of districts pursuant to the School Code, the trustees
11 shall withhold the proportionate share of the liability for
12 municipality contributions imposed upon such districts by
13 this Section, in respect to such township treasurers and
14 employees and remit the same to the Board.

15 The municipality contribution rate for an educational
16 service center shall initially be the same rate for each year
17 as the regional office of education or school district which
18 serves as its administrative agent. When actuarial data
19 become available, a separate rate shall be established as
20 provided in subparagraph (i) of this Section.

21 The municipality contribution rate for a public agency,
22 other than a vocational education cooperative, formed under
23 the Intergovernmental Cooperation Act shall initially be the
24 average rate for the municipalities which are parties to the
25 intergovernmental agreement. When actuarial data become
26 available, a separate rate shall be established as provided
27 in subparagraph (i) of this Section.

28 (h) Each participating municipality and participating
29 instrumentality shall make the contributions in the amounts
30 provided in this Section in the manner prescribed from time
31 to time by the Board and all such contributions shall be
32 obligations of the respective participating municipalities
33 and participating instrumentalities to this fund. The
34 failure to deduct any employee contributions shall not

1 relieve the participating municipality or participating
 2 instrumentality of its obligation to this fund. Delinquent
 3 payments of contributions due under this Section may, with
 4 interest, be recovered by civil action against the
 5 participating municipalities or participating
 6 instrumentalities. Municipality contributions, other than
 7 the amount necessary for employee contributions and Social
 8 Security contributions, for periods of service by employees
 9 from whose earnings no deductions were made for employee
 10 contributions to the fund, may be charged to the municipality
 11 reserve for the municipality or participating
 12 instrumentality.

13 (i) Contributions by participating instrumentalities
 14 shall be determined as provided herein except that the
 15 percentage derived under subparagraph 2 of paragraph (b) of
 16 this Section, and the amount payable under subparagraph 5 of
 17 paragraph (a) of this Section, shall be based on an
 18 amortization period of 10 years.

19 (Source: P.A. 90-448, eff. 8-16-97.)

20 Section 90. The State Mandates Act is amended by adding
 21 Section 8.25 as follows:

22 (30 ILCS 805/8.25 new)

23 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
 24 and 8 of this Act, no reimbursement by the State is required
 25 for the implementation of any mandate created by this
 26 amendatory Act of the 92nd General Assembly.

27 Section 99. Effective date. This Act takes effect upon
 28 becoming law."